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ABSTRACT

In 1980, 25% of the 14 million foreign-born persons in the United States were in California; 1.7 million of these were in Los Angeles County. Half of the 2.1 million undocumented immigrants counted in the 1980 United States Census lived in California, and about 75% of these were of Mexican origin. Results of a 1983 Urban Institute poll revealed that almost 90% of the 1,031 southern California residents surveyed regarded illegal immigration as a serious problem. Nearly 50% of all respondents (and almost 60% of Blacks) believed that illegal immigrants took jobs from citizens and contributed to unemployment and 69% thought undocumented immigrants lowered the overall level of wages in some occupations, primarily low-skill jobs. Only 20% of those interviewed knew of the Simpson-Mazzoli bill, the major comprehensive immigration reform legislation that failed to pass in the 98th Congress, and nearly half (42%) of these knew only the bill's name. An Urban Institute study of Mexican immigration to southern California did not support the view that immigrants take jobs from, or seriously depress the wages of, native workers. Findings implied that California's major challenge in the future will be learning how to absorb its millions of immigrants into society's mainstream. (JMM)

IMPACTS OF IMMIGRATION IN CALIFORNIA

ED284710

POLICY DISCUSSION PAPER

Immigration to Southern California: Fact and Fiction

by

Tracy Ann Goodis
Thomas J. Espenshade

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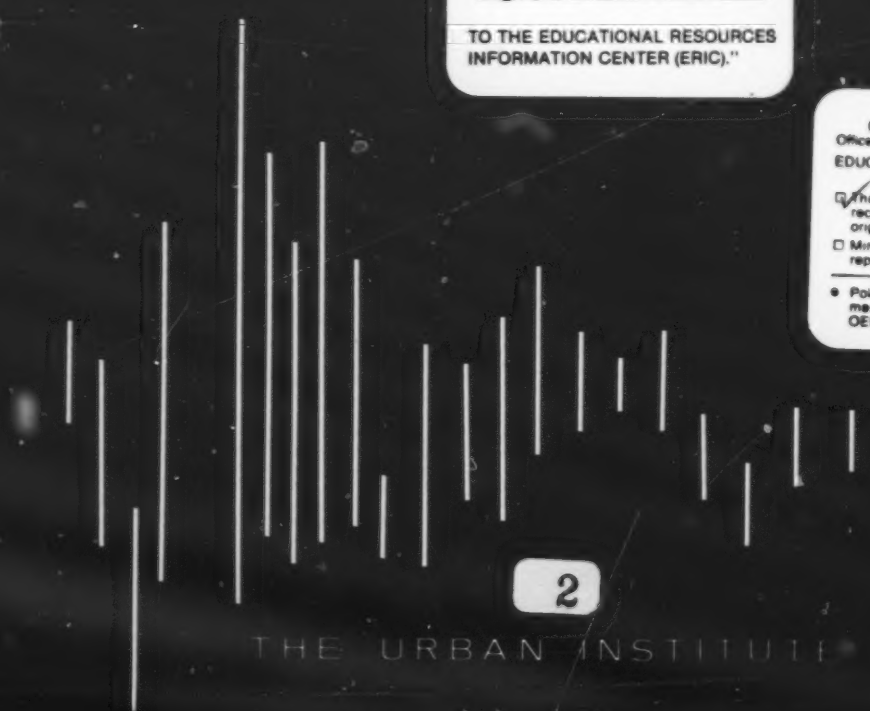

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Immigration to Southern California: Fact and Fiction

by

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FOREWORD

Issues concerning the level and composition of immigration to the United States have assumed prominent positions on the agendas of many policymakers. Perhaps nowhere are immigration's effects more keenly felt than in California, where one-quarter of all foreign-born persons in the United States currently reside.

This Policy Discussion Paper series is aimed at improving the quality of the policy-making process through a broad distribution of research findings on the consequences of immigration to California. These dissemination activities are part of The Urban Institute's larger project, Study of the Impacts of Immigration in California, funded by the Weingart Foundation, the Atlantic Richfield Foundation, the Ahmanson Foundation, and the Times Mirror Foundation. Important policy issues being addressed include (a) economic and fiscal issues associated with immigration, (b) the character and tempo of assimilation processes, and (c) the impact on California of proposals for immigration reform. All major immigrant groups to California—not just Mexicans—are being included, as are the comparative effects in northern as well as in southern California.

The Urban Institute's objective is to make a positive contribution to the policy process. It is committed to getting its work into the hands of people who can use it and rely upon it to make judgments of their own on future policy directions. Related titles are listed at the end of this paper.

Thomas J. Espenshade
Director
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IMMIGRATION TO SOUTHERN CALIFORNIA:
FACT AND FICTION

Executive Summary

In 1980, one-quarter of the 14 million foreign-born persons in the United States were concentrated in California, and nearly half of these—1.7 million—lived in Los Angeles County. Much of the Mexican immigration to California is undocumented or illegal. Half of the 2.1 million undocumented immigrants counted in the 1980 U.S. census lived in California, and about 75 percent of these were of Mexican origin.

Results of a 1983 Urban Institute poll revealed that almost 90 percent of the southern California residents surveyed regarded illegal immigration as a serious problem facing the state. Nearly half of all respondents (and almost 60 percent of blacks) believed that illegal immigrants take jobs from citizens and contribute to unemployment. Roughly seven out of ten respondents thought undocumented immigrants lowered the overall level of wages in some occupations, primarily in low-skill jobs. Despite the apparent seriousness with which survey respondents viewed illegal immigration, only 20 percent of those interviewed had heard of the Simpson-Mazzoli bill, the major comprehensive immigration reform legislation that failed to pass in the 98th Congress, and almost half of these knew the bill's name but nothing more.

Many of the fears of southern California residents appear to be unfounded. An Urban Institute study of Mexican immigration to southern California did not support the view that immigrants take jobs away from, or seriously depress the wages of, native workers. The findings from this study imply that California's major challenge in the future will not be providing for the economic integration of the millions of immigrants in the state, but rather learning how to absorb them into the mainstream of society.

INTRODUCTION

As it has several times in its history, the United States today is experiencing a massive wave of immigration. The ethnic composition of this recent immigrant population, however, has shifted dramatically. Although in 1980 Europeans still made up the largest group among the 14 million foreign-born persons in the United States (30 percent), Latin Americans accounted for the second-largest group (28 percent), and Asians the third largest (16 percent) (U.S. Bureau of the Census, 1984). Significantly, in 1980 Mexicans made up 56 percent of all Latin American immigrants.

In 1980 one-quarter of all foreign-born persons in the United States lived in California. Immigrants from Europe made up less than 20 percent of California's foreign-born population in 1980, and 60 percent of these European immigrants came to the United States prior to 1960. In contrast, 35 percent of California's foreign-born population in 1980 was Mexican, of whom 60 percent migrated to the United States during the 1970s. Many of these Mexicans crossed the California border illegally. A recent study by Passel and Woodrow (1984) estimates that one-half of the 2.1 million undocumented persons enumerated in the United States in 1980 were in California. Roughly 75 percent of the illegal immigrants in the state are of Mexican heritage. California has also absorbed an increasing number of Asian immigrants. Two-thirds of the 877,000 Asians in California in 1980 arrived in the United States during the 1970s.

The ability of California and especially of Los Angeles County—where almost half of the foreign-born population in California lives—to deal successfully with the accelerated immigration of Mexicans and Asians will have important implications for how immigration is viewed in the rest of the country.

This paper presents an analysis of recent immigration to Los Angeles County and compares public perceptions with recent Urban Institute findings on the impacts of immigration in southern California. The first part of what follows summarizes the size, composition, and characteristics of recent immigrant flows into Los Angeles County. The second part reports on the results of a 1983 Urban Institute poll of public attitudes in southern California toward the impacts of undocumented immigration and the consequences of U.S. immigration reform, and the third part summarizes recent Urban Institute findings on the actual impacts of immigration in southern California. The final part of the paper reviews the U.S. immigration reform legislation currently before Congress.

RECENT IMMIGRANTS TO LOS ANGELES COUNTY: DEMOGRAPHIC AND SOCIOECONOMIC CHARACTERISTICS[1]

More than 22 percent of Los Angeles County's total population of 7.5 million in 1980 was foreign born (U.S. Bureau of the Census, 1983). Almost four out of ten Asian immigrants in California lived in Los Angeles in 1980, where they accounted for 20 percent of the county's foreign-born population. Approximately 21 percent of the Asian immigrants are from the Philippines, 15 percent from Korea, 10 percent from China, and 10 percent from Japan. Other major groups include the Vietnamese (8 percent) and Iranians (8 percent); overwhelming majorities of both of these groups arrived in Los Angeles between 1975 and 1980. In fact, almost 75 percent of Asians in Los Angeles in 1980 immigrated during the 1970s.

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[1]More detailed information can be found in Thomas J. Espenshade and Tracy Ann Goodis, "Recent Immigrants to Los Angeles: Characteristics and Labor Market Impacts," Urban Institute Policy Discussion Paper PDS-85-1, May 1985.

Mexicans, however, account for a far larger proportion of immigrants in Los Angeles than Asians do. In 1980 over half of the 1.3 million Mexican immigrants in California lived in Los Angeles County and made up more than 40 percent of the county's foreign-born population. Two-thirds of the Mexican immigrants in Los Angeles arrived during the 1970s. This influx of almost one-half million Mexicans in just ten years has had a profound impact on the socioeconomic character of Los Angeles.

The majority (54 percent) of Mexican immigrants who arrived in California during the 1970s are male, and they are slightly younger than other recent immigrants. The median age for Mexican men is 23.3 years, compared with 25.8 years for other male immigrants. The oldest recent immigrants are Europeans; the median age for European men is 30.6.

Fewer than 10 percent of adult Mexican immigrants in Los Angeles have had some college education, compared with nearly 40 percent of the adult Los Angeles population in general. In fact, two-thirds of Mexican immigrants and more than one-third of other Hispanic immigrants in Los Angeles in 1980 had completed no more than eight years of schooling, compared with 17 percent for the Los Angeles population in general. A similar pattern emerges for immigrants to the state during the 1970s; almost three-quarters of Mexican immigrants had the equivalent of no more than an eighth-grade education. In contrast, more than half of recent Asian arrivals have attended college (U.S. Bureau of the Census, 1983).

Partly because of low levels of education, most employed Mexican immigrants are found in low-skill, blue-collar occupations. For example, 16 percent of Mexican immigrant workers in Los Angeles in 1980 had experience in white-collar occupations, and 84 percent reported blue-collar experience,

largely as laborers or machine operators. By contrast, two out of every three experienced workers in the native population reported job experience in white-collar occupations, typically professional and managerial or clerical and sales positions.

More recent statistics indicate that the influx of Mexicans into California has continued since 1980. According to data from the Current Population Survey, almost 30 percent of an estimated 810,000 immigrants who entered California between 1980 and 1983 were Hispanic, and three-fourths of these were Mexican. In addition, roughly 5 percent of the people entering California from another state were Hispanic. California's geographic position and already large Mexican population will continue to make the state an attractive destination for future Mexican immigrants.

PUBLIC ATTITUDES IN SOUTHERN CALIFORNIA TOWARD IMMIGRANTS AND PROPOSED U.S. IMMIGRATION REFORMS

How did the California public feel about this large and recent immigration, especially about the large number of undocumented immigrants in their state? In June 1983, The Urban Institute commissioned a poll of public attitudes toward immigration and related issues in six counties of southern California.[2] Each county was represented in proportion to its share of the six-county total population. A total of 1,031 telephone interviews of English-speaking respondents were completed. Approximately 10 percent of all persons contacted did not speak English and were not interviewed. Seventy-two percent of the respondents identified their race as white, 12 percent said Hispanic, 11 percent reported black, and 6 percent described themselves as

[2]Los Angeles, Orange, San Diego, Imperial, Riverside, and San Bernardino counties.

"other," of whom three out of four were Asian and will be referred to as Asian in this discussion. Responses were tabulated along several dimensions, including the ethnicity and nativity of the respondent.

As mentioned earlier, more than 1 million of the undocumented immigrants enumerated in the 1980 U.S. census were living in California. Given this state's unique situation, a significant portion of the survey questions focused on the attitudes and perceptions of southern California residents toward undocumented immigration. For example, more than 65 percent of all respondents predicted that the size of the undocumented population in southern California would increase over the next five to ten years. Moreover, almost 75 percent thought that most undocumented immigrants who now live in southern California would remain there permanently rather than return to their native countries. When interviewers asked how respondents regarded the problem of illegal immigration, 88 percent described the situation as very or somewhat serious. Similarly, almost 70 percent expressed the view that the influx of illegal immigrants into the southern California region had either a very or somewhat unfavorable effect on the state as a whole.

To explore what aspects of illegal immigration were reflected in this overwhelmingly negative attitude, the survey addressed the subject of labor market impacts. Specifically, interviewers asked respondents whether they believed that undocumented workers took jobs away from other southern California residents. Overall, respondents were almost evenly divided on this issue. The majority of Hispanics (54 percent) and Asians (62 percent) believed that illegal immigrants did not take jobs from California residents, whereas 59 percent of blacks thought they did. By a margin of just 3 percent (49 percent versus 46 percent) more whites felt job competition was stiffer

because of the presence of undocumented workers (see table 1). Tabulations by nativity revealed that, whereas half of the respondents born in the United States believed that illegal aliens limited the job opportunities of southern Californians, only 36 percent of foreign-born respondents held this view.

Although survey respondents were about evenly divided on whether illegal immigrants took jobs away from other residents, 69 percent thought that undocumented workers tended to bring down wages in some occupations. Of those who believed that undocumented workers depressed wages, 83 percent believed that unskilled or low-wage occupations were the most affected. When asked whether lower prices to consumers would result if, in fact, undocumented workers did receive lower wages, three out of four survey respondents disagreed. Instead, 85 percent believed any saving associated with the hiring of undocumented workers would most likely appear as profit to business owners.

Concern over the economic impact of immigrants was not focused only on their effect on employment and wages. Survey questions also addressed the potential impact of immigrants on public sector revenues and expenditures. Survey participants were asked whether they believed that undocumented immigrants contributed more to California through taxes and productive work than they received in social services and unemployment compensation. Nearly half (48 percent) of the southern California residents in our survey believed that illegal immigrants received benefits in excess of their contributions, compared with about 36 percent who felt the contributions of these immigrants either outweighed or were equal to the benefits they received. Among the ethnic groups in our survey, a majority of blacks (61 percent) believed that the contributions of undocumented immigrants fell short of the benefits they received, whereas 60 percent of Hispanics believed that illegal aliens

Table 1

SURVEY RESPONSES BY ETHNIC GROUP:
Do You Think Undocumented Immigrants Are Taking Jobs Away from Other Southern California Residents, or Are They Taking Jobs Other Californians Don't Want?
(n = 1,031)

	Total	White	Hispanic	Black	Asian
Taking jobs away	48%	49%	43%	59%	31%
Not taking jobs away	47	46	54	38	62
Don't know	5	5	4	5	7
Total	100%	100%	101%	102%	100%

SOURCE: The Field Research Corporation, 1983. A Telephone Survey of Public Attitudes Toward Immigration and Related Issues Among California Adults.

NOTE: Columns may not total 100 percent because of rounding.

contributed at least as much revenue to the state as they received in social services and unemployment compensation. Asians were closely divided on the issue; 43 percent thought illegal immigrants contributed more to the state than they received from it, or at least an equal amount, whereas 40 percent believed immigrants received more. Fifty percent of whites thought the benefits received outweighed the contributions of illegal immigrants, and 33 percent thought contributions were at least equal to benefits.

Interviewers also asked respondents whether they believed that illegal aliens were more likely or less likely than the general public to receive welfare assistance, food stamps, and free health care. There was no consensus on this issue: 42 percent thought illegal aliens were more likely than citizens and legal immigrants to receive such assistance, 39 percent thought they were less likely, and 10 percent thought that illegal immigrants were equally as likely. However, 66 percent of blacks and 51 percent of Hispanics believed that illegal immigrants were more likely to receive public assistance, whereas only 38 percent of whites and 33 percent of Asians agreed (see table 2).

Survey findings also indicate that a majority (53 percent) of respondents thought that undocumented workers who pay payroll and other taxes should be entitled to unemployment compensation. Disproportionately more Hispanics (73 percent) and blacks (71 percent) supported this view than whites (49 percent) and Asians (50 percent). Also, three out of four survey respondents believed that tax-paying undocumented workers should have the right to send their children to public school. Large majorities within each ethnic group supported this position.

Table 2

SURVEY RESPONSES BY ETHNIC GROUP:
Do You Believe Illegal Aliens Are More Likely
or Less Likely to Receive Welfare Assistance, Food Stamps,
or Free Health Care Than Are Citizens and Legal Aliens?
(n = 1,031)

	Total	White	Hispanic	Black	Asian
More likely	42%	38%	51%	66%	33%
Less likely	39	41	39	20	47
About the same	10	11	6	6	6
Don't know	9	10	4	7	12
Total	100%	100%	100%	99%	98%

SOURCE: The Field Research Corporation, 1983. A Telephone Survey of Public Attitudes Toward Immigration and Related Issues Among California Adults.

NOTE: Columns may not total 100 percent because of rounding.

Interviewers also asked southern California residents whether tax money should be used to provide English-language courses for adult illegal immigrants. Fifty-one percent said no. However, when asked the same question regarding adult legal immigrants, three out of four responded that tax money should be used for English-language classes. Whereas large majorities in each ethnic group agreed, more blacks (33 percent) opposed using tax dollars to fund English classes for adult legal immigrants than whites (23 percent), Hispanics (25 percent), and Asians (24 percent).

Aside from the monetary issues associated with English-language training, survey questions also focused on the community impacts of a multilingual population. Given the information that the number of non-English-speaking people in southern California had increased in recent years, residents were asked to predict whether this trend will continue over the next five to ten years. Sixty-two percent predicted an increase and only 8 percent thought the proportion of southern California's population with limited English skills would decrease. When asked what effect an increase in the number of persons with little or no English-speaking ability would have on the relations among various ethnic groups in southern California, almost seven out of ten respondents thought relations would be negatively affected. Whites (73 percent) and Asians (64 percent) supported the majority view, whereas Hispanics and blacks were about evenly divided.

Survey participants were also asked whether all high school students in southern California should be encouraged or discouraged from studying Spanish. A large majority (73 percent) advocated encouraging students to learn Spanish and only 6 percent thought students should be discouraged. Among those who thought Spanish lessons should be encouraged, 65 percent

thought the study of Spanish should not be required, but 34 percent approved the idea of requiring the study of Spanish in high schools. Among ethnic groups, whites and Asians supported the view that Spanish should not be a required course in high school by wide margins. Hispanics and blacks, on the other hand, were more closely divided on the issue (see table 3).

At the time the survey was conducted, both houses of Congress were engaged in a debate over the various provisions of the Simpson-Mazzoli immigration reform proposal, but concern was not limited to Capitol Hill. The editorial boards of several major newspapers had focused attention on the Simpson-Mazzoli bill, and interest groups as diverse as Hispanic and civil rights lobbyists, the Western Growers Association, and the U.S. Chamber of Commerce staged a public debate over the provisions of the reform bill. Before time ran out on the deliberations in the 98th Congress, our respondents in southern California were asked whether they had heard of the Simpson-Mazzoli bill. Only 20 percent were familiar with the bill; another 7 percent thought they might have heard of it but were not sure. Among ethnic groups, Hispanics were more likely to have heard of the bill. For instance, more than 25 percent of Hispanics claimed to know of the bill, compared with 20 percent of whites, 17 percent of blacks, and 12 percent of Asians.

Of the 20 percent of survey respondents who had some knowledge of the Simpson-Mazzoli bill, nearly half (42 percent) knew only the name and could recall nothing more specific. About one-quarter thought the bill allowed for amnesty for illegal aliens with time restrictions and an additional 16 percent thought amnesty would be granted automatically. Ten percent thought the bill included employer penalties, 8 percent thought it would reduce or limit all immigration, and 6 percent believed that immigrants would be required to carry

Table 3

SURVEY RESPONSES BY ETHNIC GROUP:
Should Students Be Encouraged/Required
to Take Spanish in High School?

	Total	White	Hispanic	Black	Asian
Should Students Be Encouraged to Take Spanish in High School? (n = 1,031)					
Yes	73%	71%	79%	82%	74%
No	6	6	8	4	10
Neither	19	22	10	13	14
Don't know	2	1	3	2	2
Total	100%	100%	100%	101%	100%
Should Students Be Required to Take Spanish in High School? (Asked only of those who thought Spanish lessons should be encouraged; n = 757)					
Yes	34%	30%	46%	48%	23%
No	65	69	54	52	72
Don't know	1	1	0	0	5
Total	100%	100%	100%	100%	100%

SOURCE: The Field Research Corporation. 1983. A Telephone Survey of Public Attitudes Toward Immigration and Related Issues Among California Adults.

NOTE: Columns may not total 100 percent because of rounding.

identity cards. Only 1 percent thought the Simpson-Mazzoli bill would discriminate against Hispanics.

Survey participants were told that the Simpson-Mazzoli bill contained provisions that would require some employers to obtain proof of legal status from prospective workers as a condition of employment. Moreover, employers who knowingly hired workers without the proper identification would be subject to fines of up to $2,000 per violation, and repeat offenders would face a possible jail sentence. About 57 percent of the southern California residents polled thought these penalties were "about right"; 20 percent responded that they were too severe, and 17 percent felt the penalties were too lenient. A breakdown of responses by ethnic group revealed that Hispanics were the least likely to hold a middle position; only 45 percent thought the bill's penalties were about right, compared with 60 percent of whites, 58 percent of blacks, and 50 percent of Asians. More than 30 percent of Hispanics and Asians thought the employer penalties were too severe, whereas only 15 percent of blacks and 18 percent of whites agreed (see table 4).

Respondents were clearly divided over the question of whether employer penalties would lead to a reduction in illegal immigration. About 50 percent thought such sanctions would deter undocumented workers from entering California, but 44 percent thought there would be no effect. However, responses varied among ethnic groups. For example, whereas 54 percent of Hispanics thought employer penalties would not stop the flow of undocumented workers into California, 63 percent of blacks thought they would. More than 40 percent of whites and Asians believed there would be no effect on illegal immigration, and about half believed some decrease would occur.

Table 4

SURVEY RESPONSES BY ETHNIC GROUP:
Do You Believe the Penalties on Employers
Proposed in the Simpson-Mazzoli Bill Are . . .?
(n = 1,031)

	Total	White	Hispanic	Black	Asian
Too lenient	17%	16%	18%	24%	12%
About right	57	60	45	58	50
Too severe	20	18	32	15	33
Don't know	5	5	6	4	5
Total	99%	99%	101%	101%	100%

SOURCE: The Field Research Corporation, 1983. A Telephone Survey of Public Attitudes Toward Immigration and Related Issues Among California Adults.

NOTE: Columns may not total 100 percent because of rounding.

MEASURED IMPACTS OF IMMIGRATION TO CALIFORNIA

Results from our survey of public attitudes toward the impacts of immigration in southern California showed that respondents overwhelmingly believed that undocumented immigration is a serious problem facing the state. Congress has responded to similar concerns throughout the United States by proposing a comprehensive reform of U.S. immigration laws. But before we can have a policy that will deal effectively with the issue of immigration, we must know what the actual impacts of this immigration are. A recent Urban Institute study of Mexican immigration to southern California, The Fourth Wave: California's Newest Immigrants (Muller and Espenshade, 1985), attempts to answer some of the questions that still surround the issue of immigration.

Whether immigrants take jobs away from Americans is one of the most thoroughly debated issues in congressional history. This concern has recently shifted away from immigrants in general to undocumented immigrants; a common attitude persists—shared by nearly half of the southern California respondents in our poll—that undocumented workers are an economic danger to native workers. The Fourth Wave study used a regression analysis to estimate the coefficients of a simple labor market model that tests whether rising concentrations of Hispanics in local labor markets (used as a proxy for immigrant share) increase the unemployment rate of blacks. Attention focused on the impact of Mexican immigration on black employment, not only because blacks constitute a sizable population in Los Angeles, but also because blacks have had below-average incomes and above-average unemployment and poverty rates in southern California and may therefore be vulnerable to the presence of Mexican immigrants.

Using 1980 census data, Muller and Espenshade estimated a labor market equation for the rate of black unemployment in two related analyses, one based on 247 metropolitan areas across the United States and another restricted to 51 metropolitan areas in California, Texas, New Mexico, and Arizona—states with large Mexican populations. The results of the regression analysis point to a rejection of the hypothesis that an increase in the proportion of Hispanics in the local labor market increases black unemployment rates. The Fourth Wave found a negative (but not statistically significant) relationship between black unemployment rates and the concentration of Hispanics.

Another concern that emerged in our poll of southern California residents was that undocumented workers bring down the overall level of wages in some occupations. More than two-thirds of all respondents, and more than four-fifths of black respondents, expressed this belief. Overwhelmingly, respondents identified low-skill jobs as those most affected. Whenever the wage effects of immigration are discussed, the impact of immigrants on average wage levels of particular occupations and industries must be distinguished from their impact on wages of individual workers within those occupations and industries. The Urban Institute study examined detailed information showing the relationship between the relative wage growth in selected industries in Los Angeles and the proportion of Mexican immigrant workers in those industries. The most notable finding was that average wages in low-wage manufacturing increased in Los Angeles between 1972 and 1980 only three-fourths (76.7 percent) as fast as average wages nationwide. In these industries, Mexican immigrants constituted nearly half of all production workers. Thus, there is some evidence of wage depression attributable to immigrants.

The Fourth Wave study also examined whether the wages of individual workers were depressed by the influx of immigrants. In order to examine whether blacks suffer worker-specific wage depression as the proportion of Hispanics in metropolitan populations increases, the researchers used the sample of 247 metropolitan areas nationwide and 51 metropolitan areas in 4 southwestern states reported on earlier. In these analyses, the key dependent variable is average black family income. In the U.S. sample, increasing the proportion of Hispanics in an area decreased black family income, but this effect was not quantitatively important. Raising the share of Hispanics in an area from an average of 5.0 percent to 7.5 percent, for example, caused average annual black family income to fall by only $85—from $15,818 to $15,733. In the Southwest sample, increasing the proportion of Mexican immigrants in a local labor market actually raised average black family income, but the effect was not statistically significant. Taken together, these results point to the general conclusion that the presence of Hispanic immigrants in local labor markets has little effect, positive or negative, on black family income.

Our survey respondents were also concerned about the economic effects of immigrants on public sector revenues and expenditures. Muller and Espenshade's estimates of the fiscal effects of Mexican immigrant households in Los Angeles County were confined to state and local governments in California; taxes paid to and services provided by the federal government were excluded, although inclusions of the federal level can alter the picture dramatically. For Mexican immigrant households in Los Angeles in 1980, the gap between services received from and taxes paid to state and local governments is pronounced. Estimates of the combined fiscal effects at the

state and local levels show that each Mexican immigrant household received an average of $4,842 in government services in 1980 but paid just $2,597 in taxes. Thus, benefits received outweighed taxes paid by a factor of nearly 2 to 1, producing a deficit of $2,245 per household, nearly four-fifths of which arose at the state level.

According to The Fourth Wave study, this substantial gap between revenues and expenditures for Mexican immigrant households is traceable to several factors, but the two most important are low Mexican earnings and large Mexican families. It is worth emphasizing that, because these deficits are largely the product of the low socioeconomic status and above-average sizes of Mexican immigrant households rather than of their immigrant status per se, households that are headed by natives and have demographic and economic characteristics similar to those of immigrants could be expected to have similar fiscal impacts. Muller and Espenshade also note that the exclusion from the study of undocumented persons not counted in the 1980 census could affect the fiscal-balance picture for immigrants because many of these undocumented persons are single, have jobs, and demand fewer public services than other immigrants. However, including their contribution in the estimates would probably not change the deficit produced by Mexican immigrant households in 1980, particularly at the state level.

Muller and Espenshade also investigated some of the broader economic effects associated with Mexican immigration to southern California. Their analysis revealed that more than one-fourth of the 210,000 jobs held by recent Mexican immigrants to Los Angeles probably would have disappeared or never materialized in the absence of Mexican immigration. Moreover, some owners of low-wage manufacturing firms (apparel, for example) would have been forced to

go out of business or to relocate unless they could have found other low-cost labor to substitute for the Mexicans in southern California. The Mexican immigrant presence in Los Angeles has also meant lower prices for some goods and services, slower price increases, and less rapid escalation in the cost of living in Los Angeles than in the rest of the country. Despite the lower incomes of Mexican immigrants, their presence in Los Angeles did not prevent gains in per capita income that exceeded nationwide gains. Taking all these factors into account, Muller and Espenshade conclude that the economic benefits accruing to the average Los Angeles household from the presence of Mexican immigrants probably outweigh the economic costs of fiscal deficits.

LOOKING TOWARD THE FUTURE

Major immigration reform legislation, popularly referred to as the Simpson-Mazzoli bill, passed both the House and the Senate but was not enacted in the 98th Congress (1983-1984). The reform proposals evolved from legislation that had been passed overwhelmingly by the Senate and approved by the House Judiciary Committee during the 97th Congress (1981-1982). The legislation was reintroduced in the 98th Congress and passed by the Senate in 1983 by a vote of 76 to 18; the House Judiciary Committee also approved the bill in 1983, but it was not submitted for floor consideration until a year later. After seven days of debate, the House narrowly passed the bill by a vote of 216 to 211. A House-Senate Conference Committee was appointed to resolve the differences between the House and Senate versions, but an impasse was reached over the federal government's share of providing social services to the illegal aliens who would be granted temporary or permanent residency under the bill. Thus for the second time in three years Congress adjourned without enacting a comprehensive reform of U.S. immigration laws.

The question remains whether immigration to the United States—especially undocumented immigration—will continue at its current pace or accelerate in the face of pressures to migrate. To answer this question it is necessary to note that there are factors that pull migrants to California and factors that push migrants from sending nations. It is also essential to examine the potential effectiveness of new proposals for immigration reform.

California's geographic location, perceived quality and style of life, economic opportunities, and large existing population of immigrants will most likely continue to attract immigrants. Moreover, high rates of population growth in many developing countries act as a powerful push factor. The inability of the economies of poorer nations to provide enough jobs for their rapidly expanding labor forces stimulates the unemployed and underemployed to look elsewhere for improved economic conditions. Over the next two decades, these factors pushing migrants to the United States and to California are likely to accelerate rather than diminish. Also, the political instability plaguing Central America and many other regions of the world is likely to increase the refugee flow to the United States.

In the face of these incentives, members of both the House and the Senate have introduced bills in the 99th Congress (1985-1986) designed to restrict the flow of undocumented workers to the United States. Two bills have received widespread attention. Senator Alan K. Simpson of Wyoming has introduced a bill in the Senate and Representatives Peter W. Rodino, Jr., of New Jersey and Romano L. Mazzoli of Kentucky have cosponsored a House version. Simpson's bill received the support of the Senate by a vote of 69 to 30 in September 1985 and now moves to the House for approval. The House Judiciary Committee has approved the Rodino-Mazzoli bill, but the full House has not voted.

Although the two bills differ in some respects, they are similar in intent and scope. For example, both bills authorize additional funding to increase the enforcement capabilities of the Immigration and Naturalization Service, and both bills contain provisions to penalize employers who knowingly hire undocumented workers. The intent of employer sanctions is to reduce employment opportunities for illegal aliens in the United States and thereby remove the major motivation for workers to enter without proper documentation. The Senate bill provides for civil fines ranging up to $10,000 per violation and criminal penalties for employers convicted twice of "a pattern and practice" of hiring illegal aliens. The House bill also would fine violators and would subject repeat offenders to imprisonment. Moreover, the House bill would require all employers to keep records verifying that they have checked documents, such as a U.S. passport, birth certificate, or Social Security card, to determine whether an employee is eligible to work in the United States.

As concessions to business groups who feared that employer verification procedures would burden employers with paperwork, the Senate bill made recordkeeping optional and made all provisions apply only to employers of four or more persons. (Although the Senate version does not require the employer to keep such records, in the event that a violation was discovered, the employer who had not kept records would be presumed to have knowingly hired an undocumented alien, whereas the employer who had kept records would be able to use the records to defend against such charges.)

In response to Hispanic and civil rights groups who feared that employer sanctions would aggregate the unemployment problems of minorities because employers would be hesitant to hire anyone who "looks foreign," both bills

contain antidiscrimination clauses. The House version would create a new Office of Special Counsel in the Department of Justice to investigate and prosecute charges of discrimination resulting from the employer penalties. The Senate bill authorizes the General Accounting Office (GAO) to phase out employer sanctions after three years if the GAO finds them to be discriminatory.

Both bills also provide a legalization program for certain undocumented aliens; however, the timing and number of persons affected differ under each proposal. For example, the House bill would grant temporary resident status for illegal immigrants who have continuously resided in the United States since the end of 1981, and the provision would take effect upon enactment of the bill. The Senate set the eligibility date at January 1, 1980, and legalization would be granted no later than three years after enactment. Should a presidential commission determine that employer penalties coupled with increased border enforcement have curtailed the flow of undocumented workers in the United States, however, the legalization program could be put into effect sooner. In addition, the Senate bill authorizes payment of up to $3 billion to the states over six years to offset the costs of social services for newly legalized aliens. Under the House version, the states would receive 100 percent reimbursement for such costs.

Both the House and Senate versions would expand and streamline the H-2 program, which has regulated the employment of legal foreign agricultural workers since 1952. Each bill would remove the operation of the program from Department of Labor regulation and would create new laws to govern the program. Also, revisions would be made to allow agricultural employers to use the program more easily to obtain foreign workers if domestic laborers were

not available during harvest time. Agricultural employers would be given three years to phase out their use of undocumented workers, after which these employers would be required to employ workers through legal channels or face employer penalties.

After much debate, the Senate attached a foreign worker program to its bill which would allow an additional 350,000 foreign agricultural workers into the United States for up to nine months to pick perishable crops. As an incentive to the foreign workers to return home, employers would be required to withhold 20 percent of these workers' pay and return it to them only in their native countries. The program would end in three years unless Congress votes to revive it. The House version would grant permanent legal status to any undocumented worker who could show that they were employed in U.S. agriculture for at least 60 days between May 1, 1985 and May 1, 1986.

The outlook for either of these bills or of some compromise proposal to pass both Houses of Congress in 1986 is mixed. On the positive side, the similar intentions of these bills—to penalize employers who hire undocumented workers, to increase funding for the border patrol, and to legalize certain undocumented aliens—increase the probability that 1986 will see enactment of comprehensive immigration reform. Nonetheless, even the slight differences that remain between the House and Senate versions may prove to be insurmountable. For example, members of the House have voiced concern that exempting smaller employers from complying with employer verification procedures would benefit only the upper class because many such employers are households that employ foreign domestic help. Furthermore, a compromise seems elusive on the House's strong antidiscrimination clause and the Senate's weaker version, which was added as an amendment during the final vote and

would be enacted only if after three years the GAO found that employer penalties had caused "widespread" discrimination. It also seems unlikely that the Senate will accept the House's more lenient legalization program, because the Senate has already rejected an amendment to move the eligibility date from 1980 to 1981. The feeling among some members of the Senate is that amnesty rewards people who broke the law at the expense of those who waited to enter the United States legally.

The farm worker program may prove to be the most difficult issue to reconcile between the House and Senate. This amendment, proposed by Senator Pete Wilson from California, was lobbied for heavily by agricultural concerns and harshly criticized by the bill's sponsor, Senator Simpson. Growers of perishable crops, who allegedly depend on illegal foreign workers, claim they need the program to save their industry. Senator Simpson sees the program as repeating the errors of past immigration reform. The measure adopted by the House Judiciary Committee is expected to encounter much opposition if and when the full House votes on the immigration reform bill. Representative Mazzoli has said he finds the amendment unacceptable and has hinted that he may vote against the bill when it comes to the House floor. Other members of the House doubt whether there is enough time left in the legislative year for the House to come to some agreement on the farmworker issue and then work out differences with the Senate.

IMPLICATIONS FOR PUBLIC POLICY

During both the 1984 congressional debate on the Simpson-Mazzoli bill and the deliberations in the 99th Congress, many elected officials claimed that immigrants take jobs away from native workers. The data in The Fourth Wave study—although limited to southern California's experience with Mexican

immigrants—do not support this assertion. Nor was strong evidence found that immigrants depress the wages of native workers, except possibly in the lowest of the low-skill job categories. If it is appropriate to generalize from this experience, perhaps too much attention has focused on the potential adverse economic effects of immigration, possibly obscuring other immigration-related issues.

The failure to discover substantial adverse economic impacts associated with Mexican immigrants to southern California does not necessarily mean that these findings would hold up if other Central American or Asian immigrant populations were included in the analysis, or if the examination were extended to all parts of California or to other areas of the United States. Neither do the benign outcomes argue for a return to the open door policy that the nation followed during the first 150 years of its history. We cannot predict from this analysis what the economic repercussions would have been if a much larger number of immigrants had entered California.

It should come as no surprise that California has been able to take in several million immigrants in fifteen years, given its record of accommodating large numbers of new entrants in the past. For example, California absorbed 3 million workers and their dependents in a four-year period during World War II when the state's population was less than half as large as the 1980 total. California's major challenge in the future will not be deciding how to provide for the economic integration of the millions of immigrants already in the state and the millions more forecast to come, but rather learning how to absorb these immigrants into the mainstream of society. The public's willingness to accept and accommodate these new immigrants will be especially important in determining how California meets this challenge.

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